

**JM FINANCIAL LIMITED  
POLICY ON MATERIAL SUBSIDIARIES**

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**1. Preface:**

Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time (the “**Listing Regulations**”) specifies that all listed companies shall formulate a policy for determining ‘material subsidiaries’ and in terms of Regulation 46(2)(h) read with Schedule V(10)(e) thereto, such policy shall be disclosed on the Company’s website and a web link thereto shall be provided in the Annual Report of such listed companies.

The Board of Directors of JM Financial Limited (the “**Company**”), at its meeting held on November 4, 2014, approved and adopted “Policy for determination of Material Subsidiaries.

The Board reviewed this Policy, at its meeting held on May 2, 2019, and approved and adopted the revised Policy, in light of the amendments made by SEBI vide its notification dated May 9, 2018.

This amended Policy shall be applicable to the Company effective from April 1, 2022.

**2. Policy Objective:**

To determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

**3. Definitions:**

- a. “**Audit Committee or Committee**” means “Audit Committee” constituted or reconstituted by the Board of Directors of the Company.
- b. “**Board of Directors**” or “**Board**” means the Board of Directors of the Company.
- c. “**Company**” means JM Financial Limited.
- d. “**Designated securities**” means specified securities, non-convertible debt securities, non-convertible redeemable preference shares, perpetual debt instrument, perpetual non-cumulative preference shares, Indian depository receipts, securitised debt instruments, security receipts, units issued by mutual funds and any other securities as may be specified by the SEBI.
- e. “**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence under the Companies Act, 2013 and the Listing Regulations.

- f. **“Policy”** means this Policy on Material Subsidiary, as amended from time to time.
- g. **“Material Subsidiary”** shall mean a company as defined under Clause 4 of this Policy.
- h. **“Stock Exchanges”** means National Stock Exchange of India Limited and BSE Limited.
- i. **“Subsidiary Company”** shall be a company defined as subsidiary company under the Companies Act, 2013 and the Rules made thereunder.

**4. Material Subsidiary:**

The term Material subsidiary shall mean a Subsidiary Company, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

**5. Compliance in the event a subsidiary is an unlisted Material Subsidiary:**

The term unlisted material subsidiary for the purpose of this policy, shall mean and include those subsidiaries of the Company which fulfills the criteria of materiality as stated in clause 4 above and do not have their designated securities listed on the recognised stock exchanges.

- The Company shall appoint at least one of its Independent Directors on the Board of Directors of an unlisted Material Subsidiary, whether incorporated in India or not.

For the purpose of the above, the term “unlisted material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- The Company and its unlisted material subsidiary incorporated in India shall undertake secretarial audit. The Company shall along with its secretarial audit report annex the secretarial audit report of the unlisted material subsidiary, given by a company secretary in practice, in such form as specified, in its annual report.

**6. Disposal of Material Subsidiary:**

The Company, without the prior approval of the members by Special Resolution, shall not:

- dispose shares in Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%; or
- cease to exercise of control over the Material Subsidiary; or
- sell, dispose off or lease the assets amounting to more than twenty percent of the assets of the Material Subsidiary, on an aggregate basis, during a financial year.

However, the approval as above shall not be required in cases where such divestment or sale/disposal/lease is made under a scheme of arrangement duly approved by a court/tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

**7. *Disclosures:***

The Company shall disclose the policy on determining Material Subsidiaries on its website and a web link thereto shall be provided in the Annual Report.

**8. *Amendment/Review:***

The Company may amend or review this Policy as and when deemed fit. Any and all provisions of this Policy shall also be amended/reviewed as are required due to any regulatory changes from time to time.

In case any amendments, clarifications, circulars and guidelines as issued by the regulatory body(ies)/authority(ies) and such amendments, clarifications, circulars and guidelines are not consistent with the requirements specified under this Policy, then the provisions of such amendments, clarifications, circulars and the guidelines shall prevail and accordingly this Policy shall stand amended effective from the date as laid down under such amendments, clarifications, circulars and guidelines.

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*This Policy was last amended by the Board of Directors at its meeting held on April 22, 2022*